

ASSEMBLY BILL

No. 654

Introduced by Assembly Member Cardoza

February 23, 1999

An act to add Chapter 2.6 (commencing with Section 62670) to Part 3 of Division 21 of the Food and Agricultural Code, relating to agriculture.

LEGISLATIVE COUNSEL'S DIGEST

AB 654, as introduced, Cardoza. Dairies: catastrophic event insurance program.

(1) Existing law provides for a Milk Producers Security Trust Fund for protection of milk producers against loss of payment for bulk milk.

This bill would provide for a catastrophic dairy livestock and milk loss insurance program, as prescribed. Every person owning, leasing, or operating a dairy operation would be required to pay an unspecified amount to the department. Because the failure to comply with this requirement would, under existing law, be a crime, the bill would impose a state-mandated local program by creating a new crime. The money would be deposited in the Livestock and Milk Loss Insurance Fund, which the bill would create. The money in the fund would be used, upon appropriation, to purchase insurance, as specified.

The Secretary of Food and Agriculture would be authorized to adopt regulations for the procedures and for guidelines to be used for making claims against the insurance.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 2.6 (commencing with Section
2 62670) is added to Part 3 of Division 21 of the Food and
3 Agricultural Code, to read:

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5 CHAPTER 2.6. CATASTROPHIC DAIRY LIVESTOCK AND
6 MILK LOSS INSURANCE PROGRAM
7

8 62670. (a) Every person owning, leasing, or
9 operating a dairy operation shall pay ____ mils per
10 ____ of milk to the department. The department shall
11 deposit the money it receives pursuant to this section in
12 the Livestock and Milk Loss Insurance Fund, which is
13 hereby created, to be used, upon appropriation, to
14 purchase insurance for the replacement of livestock and
15 milk lost due to occurrences related to catastrophic
16 events.

17 (b) As used in this chapter, fund means the Livestock
18 and Milk Loss Insurance Fund.

19 62671. Any person or entity paying into the fund shall
20 be eligible to make claims against the insurance for
21 reimbursement of livestock and milk lost due to a
22 catastrophic event. The secretary may adopt regulations
23 for the procedures and for guidelines to be used for
24 making claims.

25 SEC. 2. No reimbursement is required by this act
26 pursuant to Section 6 of Article XIII B of the California
27 Constitution because the only costs that may be incurred
28 by a local agency or school district will be incurred
29 because this act creates a new crime or infraction,



1 eliminates a crime or infraction, or changes the penalty
2 for a crime or infraction, within the meaning of Section
3 17556 of the Government Code, or changes the definition
4 of a crime within the meaning of Section 6 of Article
5 XIII B of the California Constitution.

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